

Headline Report – 30 October 2020

Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the CUSC Panels on 16 and 25 September 2020¹ and 1 October 2020 were approved at the CUSC Panel meeting on 30 October 2020. These will be uploaded to our website.

Prioritisation Stack

Between 29 May 2020 Panel and June 2020 Panel, all the Proposers with in-flight Modifications provided updated justification against each of the Prioritisation Criteria – namely Complexity, Importance and Urgency. The June Panel carefully considered the views of the Proposers. For each Modification, Panel determined if the Priority was High, Medium to High, Medium, Low to Medium or Low. This exercise was repeated between 25 September 2020 Panel and October 2020 Panel and the following movements were agreed at October 2020 Panel:

Modification	Priority	Priority as at 30 October 2020	Rationale for Change
CMP311	Medium to High	Low	Workgroups were due to commence from November 2020; however, at September Panel, ESO highlighted that the RIIO draft determinations are due to be published in December and the ESO are anticipating that this will resolve the issue that CMP311 addresses. As this won't be confirmed until the determinations are published, October Panel agreed to de-prioritise and revisit at January 2021 Panel.
CMP298	Low	Medium	October Panel reviewed the request from the Open Networks to re-start Workgroups and noted the increasing risk of divergence in treatment across Network Operators. Therefore, priority was raised from Low to Medium. Code Admin will liaise with Proposer and Open Networks on next steps including timing of next Workgroup.

No other movements were agreed. However, the positions of CMP328 and CMP326 will be re-assessed at November's Panel with the expectation there will be further progress on these Modifications during

¹ Subject to minor comments from Ofgem being incorporated

November. Panel also agreed to review the position of CMP308 following publication of Ofgem's conclusions (expected at the end of November 2020) on the 2nd BSUoS taskforce. The full discussions on each Modification can be found [here](#).

The Prioritisation Stack will continue to be reviewed on a monthly basis.

Proposers continue to have the opportunity to feed their views into these discussions. Additionally, on a quarterly basis, Proposers will be asked to provide updated justification against the prioritisation criteria - this will be requested from Proposers at the start of January 2021 in readiness for assessment at January 2021's Panel.

New Modifications

2 new Modification Proposals were presented for consideration.

CMP352 'Correction to 'Revised Indicative Annual TNUoS charge' formulas in Appendix 2 of CUSC Section 3'

CUSC allows Suppliers to revise their Demand Forecast (that's used for TNUoS charging) in response to significant changes in Demand. This is so these changes in Demand do not affect the Supplier's Forecasting Performance. This is described in CUSC Section 3.23.7 and 3.23.8. Point 5 and 8 in Appendix 2 of CUSC Section 3 states the formula under which the above changes are made. However, these formulas do not function mathematically and therefore CMP352 seeks to correct these so the intent of the CUSC is maintained.

The Panel unanimously agreed that CMP352 met the Self Governance and Fast Track criteria and agreed the modification should be implemented. Planned date for implementation is 14 December 2020.

CMP352 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp352-correction>

CMP353 'Stabilising the Expansion Constant and non-specific Onshore Expansion Factors from 1st April 2021'

CMP353 seeks to stabilise the locational signal at the start of the RIIO-2 period at the RIIO-1 value plus relevant inflation in each charging year until such time as the effect of any change in the locational signal can be better understood.

On 29 October 2020, National Grid ESO raised CMP353. The Proposer sent a request to the CUSC Panel Secretary for the modification to be treated as urgent. The CUSC Modifications Panel ("the Panel") on 30 October 2020 considered CMP353 and the associated request for urgency. The unanimous view of the Panel is that **CMP353 does meet** Ofgem's Urgency criteria (a) and **should** be treated as an Urgent CUSC Modification Proposal.

CMP353 documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp353-stabilising>

New / Pending Authority Decision/

Ofgem provided an update on Modifications that are currently awaiting their decision:

- Ofgem stated there was a steering group in November to further discuss the TCR modifications (**CMP317/327**, **CMP339**, **CMP333**, **CMP334**, **CMP335/336** and **CMP343/340**). Ofgem are prioritising decisions on these Modifications; however, they did not provide an indicative decision date.
 - **CMP324/325** decision is expected early November 2020.
 - Update on **CMP280** was provided on 2 October 2020. Based on this, Code Admin anticipate that Ofgem will now consider CMP280 alongside the other Transmission Demand Residual Modifications.
 - **CMP292** decision was expected 20 September 2019; however this remains de-prioritised due to Ofgem's focus on the TCR modifications.
 - Ofgem confirmed they received a Self-Governance Appeal for **CMP342** and are assessing whether or not this is a valid request for appeal. *(Post Meeting Note: Ofgem published a [letter](#) on 2 November 2020 stating that they are satisfied that this is a valid request for appeal and set out next steps).*
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In flight Modifications

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7th of the following month or the next working day thereafter.

Draft Final Modification Reports

No Draft Final Modification Reports were presented to Panel.

Workgroup Reports

CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'

CMP300 seeks to improve the cost reflectivity of the Response Energy Payment (REP) as the current construction of the REP is not reflective of the costs or avoided cost of energy production for generators. It will achieve this by ensuring all BM Units with low or negative marginal costs, as a consequence of having a CfD FiT, are subject to the same REP methodology.

The Panel were asked to approve that the Terms of Reference have been met and agree for CMP300 to proceed to Code Administrator Consultation. The Workgroup previously sought such approval at the November 2019 Panel; however Panel sought further clarity on the Benefits / Costs.

More detail on the Benefits/Costs was provided within the updated Workgroup Report; however, Panel still required illustrative numbers to be added before they approve that the Terms of Reference have been met. Panel agreed that this approval can be done via circulation ahead of November 2020 Panel.

CMP300 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp300-cost>

Questions or feedback?

Code Administrator Representative: Paul Mullen, *Code Administrator*

Panel Secretary: Ren Walker, *Code Administrator*

Email: cusc.team@nationalgrideso.com
